**Writing/Speaking Skills**:

* paraphrase
* write to interpret and apply information
* write to discover concepts and relationships

**Name**: Desiree Cossette **Subject Area:** Social Studies

**Date**:July 21, 2010  **Grade Level:** 12

**Time Required:** 1 period

**Description**: Students will begin by applying the definition of opportunity cost to several problems and develop a decision making rule. They will use insert notes as they read the textbook and apply the concept to their own life, Nyack High School, and a national issue. As a post reading activity, students will either create collaborative questions or use QAR.

**Essential Questions**:

* How are scarcity and opportunity costs related?
* Why are opportunity costs the true costs?
* How is an optimal decision made?

**Standards**:

* ELA 1, 3, and 4
* Social Studies Standard 4

**Reading Skills**:

* set a purpose
* make connections between new and known information
* questioning the text
* synthesizing information

**Thinking Skills**:

* define
* paraphrase
* summarize
* give examples
* create questions
* construct rules

**Title:**  Opportunity Cost Textbook Homework

|  |  |
| --- | --- |
| Objectives:  *At the end of the lesson, students will be able to…* | Assessments:*I will know they can do this because they will…* |
| 1. define scarcity and opportunity cost | 1. complete problems and insert notes |
| 2. explain why opportunity costs are the true costs | 2. complete insert notes and collaborative questions |
| 3. construct a decision making rule for opportunity costs | 3. complete the pre-reading activity and insert notes |

## Pre-Reading

**Procedure before Reading**:

1. Complete the Opportunity Cost introductory assignment

* learn the definition of opportunity cost
* apply the concept of opportunity costs to several situations
* derive a rule for using opportunity costs in economic decision making

**During Reading**

**Procedure while Reading**:

1. Use insert notes on the following textbook

* resources
* need for choices
* the true cost of a choice
* relationship between opportunity cost and money price
* how to make optimal decisions

2. Apply the concept of opportunity cost by creating an example for each of the following

* their own life
* Nyack High School
* a national issue

## Post-Reading

**Procedure after Reading:**

1. create collaborative for those groups who have less understanding

2. QAR for those students who have a good grasp of the textbook reading

**Learning Styles:** auditory, visual, linguistic

**Materials**:

* Opportunity cost handout
* textbook

\*Please attach all student handouts

Opportunity Costs

**Opportunity Costs**

Opportunity costs are defined as the next best alternative or whatever must be given up to obtain some item. In other words, economists believe that whenever you are making a choice, you must consider what you *cannot* have as a result of making that choice. Your choice should have more value than what you are giving up. These costs are subjective.

**Problems**

Explain the decisions below using the concept of opportunity costs.

1. You are given $100 by your parents for your expenses for the month of September, and you decide to spend the entire amount on clothes. What might be some of the opportunity costs of making that decision?
2. A farmer will often wait until a rainy day to do errands in town, but a man with a brand new suit will not run errands on a rainy day.
3. Young women in India cut the grass surrounding the Taj Mahal with kitchen scissors rather than using lawn mowers.
4. If you go from New York to Boston by plane, it will take you one hour. If you go by bus, it will take you four hours. If the airfare is $90 and the bus fare is $30, which would be the cheapest way to travel to Boston for someone who could earn $6 per hour during their travel time? For someone who could earn $30 an hour during that time? Use concrete numbers to prove your answer.

**Economic Decision Making Rule**

Using the examples above, create an economic decision making rule for opportunity costs.